

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
58th LEGISLATURE - REGULAR SESSION**

**JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND  
COMMERCE**

**Call to Order:** By **CHAIRMAN JEFF PATTISON**, on January 22, 2003 at  
8 A.M., in Room 317-C Capitol.

**ROLL CALL**

**Members Present:**

Rep. Jeff Pattison, Chairman (R)  
Sen. Bill Tash, Vice Chairman (R)  
Sen. Edward Butcher (R)  
Rep. John Musgrove (D)  
Sen. Linda Nelson (D)  
Rep. Rick Ripley (R)  
Sen. Debbie Shea (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Kelly Gorin, OBPP  
Gary Hamel, Legislative Branch  
Elaine Olsen, Committee Secretary  
Doug Schmitz, OBPP

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed. Tape  
stamp refers to the material which follows.

**Committee Business Summary:**

Hearing & Date Posted: Fish Wildlife and Parks Overview,  
1/22/2003  
Executive Action: None

***{Tape: 1; Side: A; Approx. Time Counter: 1 - 3}***

**Gary Hamel** said the handouts he was providing addressed the General Fund starting point for Fish, Wildlife and Parks (FWP) and the MBARS Data for the Department.

**EXHIBIT(jnh13a01)**

**EXHIBIT(jnh13a02)**

**Gary Hamel** stated that the total unspecified reductions from the adjusted base for the Department totaled \$12,249 in FY04 and \$13,268 in FY05. He said the executive budget contained two negative decision packages (DPs) reducing General Fund. The DPs would remove \$31,745 of General Fund each fiscal year (FY) from the Parks' Division budget and approximately \$2,500 each year from the Conservation Education Division's budget.

**Gary Hamel** said that the LFD issues addressed complete elimination of General Fund from the Parks Division with the potential to offset the decrease with an increase in state parks' fees. The Committee could explore some funding alternatives suggested by the State Parks' Futures II Committee.

***{Tape: 1; Side: A; Approx. Time Counter: 3 - 13}***

**Jeff Hagener, Director, FWP**, said that although the Department does not receive much funding through the General Fund, all the programs and appropriations are subject to approval by the Legislature. The funding from the federal government is usually restrictive.

**EXHIBIT(jnh13a03)**

**EXHIBIT(jnh13a04)**

**Director Hagener** said that based on the Global Action taken by the Legislature, the Department will be using 2002 as the base year. In the last session the \$400,000 of General Fund in the agency budget was reduced by \$200,000 for the biennium. The funds were transferred to the Department of Agriculture (DOAg) for the Noxious Weed Program. An additional \$30,000 of General Fund was removed from the Parks Division, leaving a little more than \$250,000 of General Funds in the agency, primarily in the Parks Division.

**Director Hagener** said \$500,000 in funding from the Resource Indemnity Trust (RIT) account was specifically dedicated for the Future Fisheries Improvement program. That amount was reduced by \$150,000 in the Special Session and was returned to the General

Fund. The proposed executive budget reduces the funding to a balance of \$250,000 in RIT funds for the Future Fisheries.

**Director Hagener** said the Parks' Trust Fund is funded with interest from the Coal Trust Fund account. The interest income has been diverted which has reduced the Parks' funding by about \$30,000.

***{Tape: 1; Side: A; Approx. Time Counter: 13 - 16}***

**Director Hagener** said the Department's mission is to provide for the stewardship of the fish, wildlife, parks and recreational resources of Montana, while contributing to the quality of life for present and future generations. In a national survey Montana ranks number one in the percent of the population that participates in hunting and fishing. Many nonresidents visit Montana for those same resources.

**Director Hagener** said four out of five Montana households report they have visited a state park in the last two years. In Region Six, northeastern Montana, the citizens are requesting funding for a state park. On an annual basis more than \$1 million is spent in Montana by hunters, anglers and wildlife watchers. Many local economies depend on the income generated by these activities.

***{Tape: 1; Side: A; Approx. Time Counter: 16 - 22}***

**Director Hagener** said one of the agency's goals is to maintain and enhance the fish, wildlife, cultural and historic resources through the 21st Century. The Director listed recent agency accomplishments detailed in Exhibit One. **Director Hagener** said the Department partners with the citizens of Montana through numerous citizen advisory committees and watershed groups.

***{Tape: 1; Side: A; Approx. Time Counter: 22 - 28}***

**Director Hagener** said the Turn in Poachers Montana (TIP Mont) program has been very successful. He described the recent arrest of a family that had been operating a large poaching ring in the Seeley Lake area.

**Director Hagener** stated the Department has initiated management systems within the agency to improve accountability, priority setting and career development within the Department. Because of the variety of funding sources, the agency is subject to frequent audits.

***{Tape: 1; Side: A; Approx. Time Counter: 28 - 31}***

Programs are prioritized and reviewed frequently. Many employees in management-level positions are preparing to retire, and the Department is working to raise the level of expertise of the existing staff.

**Director Hagener** said a five-member, Governor-appointed, FWP Commission sets policy, approves season-setting, and approves all the acquisitions for the Department. Decision-making is decentralized with three-fourths of the agency staff located across the Department's seven regions.

***{Tape: 1; Side: B; Approx. Time Counter: 1 - 7}***

**Director Hagener** described the five Commission districts and the appointment of commissioners. He said that there are several bills in the Legislature addressing the Commission and the appointment of commissioners. **Director Hagener** said the administrative organization of the Department is broken into the Director's Office, the Fish Wildlife and Parks Commission, and the Director's Staff. He then described the breakdown of staff responsibilities.

**Director Hagener** said the Department budget is broken into the Operating Budget or HB2, and the Capital Budget, HB5. The Operating Budget totals about \$58 million for FY04 and \$56 million for FY05. Many of the DPs the Committee will review are for ongoing programs. The capital budget is zero-based and contains all the habitat programs that will need to be approved through HB5. Expenditures for this biennium total about \$20 million and are continuing appropriations. If the funds are not expended in this biennium, the Department has the authority to spend them in the next biennium.

***{Tape: 1; Side: B; Approx. Time Counter: 7 - 13}***

**Director Hagener** said that less than one percent of the agency funding comes from the General Fund. Other state sources of revenue include the Accommodations Tax which comprises ten percent of the total budget. Federal funding is 30 percent of the budget, and earmarked license dollars make up 11 percent. The General License account makes up about 48 percent of the total budget.

**Director Hagener** referenced Exhibit Four and stated that the funding amounts listed are specifically designated for a permanent function in a trust, internal service funds that are

internal to the agency, Enterprise funds, federal special revenue, and Expendable Trust/State Special Revenue funds. The only funding that allows flexibility in its application is the General License Account.

***{Tape: 1; Side: B; Approx. Time Counter: 13 - 19}***

**Director Hagener** stated that normal license sales in a year will provide about \$30 million in the General License fund. License dollars are used for leverage against the Wallop Breaux funds and are specific for sports fish management. The Pittman Robinson Fund is to be used specifically in wildlife programs and is derived from an excise tax on sporting arms and ammunition.

**Director Hagener** said that because of the increase in nonresident fees, it is estimated that the General License Account fund will be solvent until 2007. Figures indicate the agency is spending more than it is bringing in. License fee increases occur about once in every ten years, pushing the fund balance above expenditures. Over the following years, the funding and expenditures levels come closer together. At the current expenditure rate, the Department may have to request an increase in resident license fees from the 2005 Legislature.

***{Tape: 1; Side: B; Approx. Time Counter: 19 - 22}***

**Director Hagener** reviewed the Parks Fund balance which is diminishing rapidly. At the current expenditure rate, the Fund will be negative in 2006. Major funding sources for the Parks Division are Coal Tax interest, earned revenues, motorboat taxes and the Accommodations Tax.

**Director Hagener** said the new proposals before the Committee are existing programs that are federally-funded programs approved in the last biennium as one-time-only (OTO). The DPs are figured into the long-term projections. Seventy-four percent of the new proposals are federally funded with no General Fund. The remaining 26 percent of the proposals derive funding from State Special Revenues, from the General License account, or some other source.

***{Tape: 1; Side: B; Approx. Time Counter: 22 - 26}***

**Director Hagener** described significant budget items that would be before the Committee. The fishing access site (FAS) maintenance and operations request and the Parks' field operations expenses are large items because of rising maintenance costs.

The Fort Peck Warm Water Fisheries Hatchery is under construction. Federal funding in the amount of \$7.8 million is progressing through the federal approval process and should be available this summer. Some funding is obtained from the Warm Water Fisheries Stamp. Construction is funded through the Army Corps of Engineers, but the maintenance and operations of the facility will be the responsibility of the Department.

**Director Hagener** said that FWP is planning to phase in the staff needed for the hatchery to ensure proper construction and development of the facility. Walleye and pallid sturgeon will be raised at the site. Pallid sturgeon are being considered for listing as an endangered species by the federal government which could result in some uses of the river being shut down.

***{Tape: 1; Side: B; Approx. Time Counter: 26 - 30}***

**Director Hagener** said the Department has worked very closely with the Department of Natural Resources and Conservation (DNRC) on the State Lands Recreational Use Permit. A bill is in the Legislature this session and is supported by FWP through the FWP Commission and is supported by DNRC through the Land Board. This bill adds a fee to the Conservation License. The funds will be transferred to DNRC to compensate the School Trust Lands for hunting, fishing and trapping uses. The Committee will review a DP which will give the Department the authority to transfer that revenue to DNRC.

***{Tape: 2; Side: A; Approx. Time Counter: 1 - 4}***

**Director Hagener** stated that a significant number of Department employees are near the 30-year retirement point which could require an average payout of \$28,000 or more per retiree. The agency is requesting to use federal and General License account authority to fund that liability.

**Director Hagener** said that the bargaining agreement with wardens requires payment of overtime. A DP requests additional funding to pay for overtime.

***{Tape: 2; Side: A; Approx. Time Counter: 4 - 6}***

**Director Hagener** introduced the Legislative Contract Authority (LCA) funding issue. The projects are excluded from the base because of the nature of the funding. The DPs address ongoing projects that have to be approved each session. In the last session all the LCA were addressed in one budget proposal. The funding comes from the United States Forest Service (USFS), the

Bureau of Land Management (BLM), the Bonneville Power Association (BPA), the United States Fish and Wildlife Service (USFWS) and the Army Corps of Engineers. State-wide projects include the Libby Dam Mitigation, Missouri River sturgeon, Canyon Ferry, Fort Peck flow data, and others.

***{Tape: 2; Side: A; Approx. Time Counter: 6 - 8}***

**Director Hagener** discussed the annual versus biennial appropriations. The DPs are required in the budget as present law adjustments because of the budget preparation system. If an amount is appropriated for the biennium, funding shows up in the base year at one-half of the biennial appropriation. If the full amount is not expended during that year, the unspent balance is carried forward to the second year. The Committee would see the total amount that was expended over the two years in the first fiscal year of the biennium.

***{Tape: 2; Side: A; Approx. Time Counter: 8 - 11}***

**Director Hagener** addressed the internal services rate for vehicles. Managing their own fleet of vehicles has been shown to be cost-effective for the Department. To comply with a recommendation by the Legislative Auditor, the Department lowered the internal services rates. The Department is now attempting to adjust those rates to a reasonable level.

**Director Hagener** said the Committee would be asked to address a language adjustment needed to comply with a federal audit on personal services and expenditures. The language was put in place last session, but a technical error was made, and the adjustment was not carried forth to this biennium. The intent of the language is to allow the Department to spend the federal money first, before spending State Special Revenue.

***{Tape: 2; Side: A; Approx. Time Counter: 11 - 17}***

**Director Hagener** said the agency is requesting funding for a program concerning Chronic Wasting Disease (CWD) in wild animal populations. FWP estimates that such an infection is most likely to occur in the northeastern region of the state because the disease is already present in wild populations in Saskatchewan, Canada. If CWD occurs, the Department needs to have funding and plans in place to deal with it.

***{Tape: 2; Side: A; Approx. Time Counter: 17 - 20}***

**Director Hagener** said that the handicapped community is requesting a full-time Handicap Coordinator to ensure requests and concerns of the handicapped community are addressed. Members of that group have asked to address the Committee next week.

*{Tape: 2; Side: A; Approx. Time Counter: 20 - 27}*

**CHAIRMAN PATTISON** called for questions from the Committee. **SEN. BUTCHER** asked if there have been any negative comments on the programs which encouraged more involvement in hunting and fishing. **Director Hagener** said People for the Ethical Treatment of Animals (PETA) have staged minor protests, but overall the protest groups have not been a problem.

**REP. RIPLEY** asked about the fund balances in the snow removal fund. **Director Hagener** replied that there has been little snow so far this year, so expenditures have been limited. A great deal of the fund is spent in the spring for landscaping and maintenance efforts. **David Clark Snustad, FWP**, stated the fund balance also includes assets such as equipment. **Gary Hamel** referred the Committee to the Budget Book. He gave a summary of the FY02 balance. Snow removal expenses will increase before the end date of the fiscal year. Contained within the \$78,608 fund balance is \$116,586 cash in the bank, and \$144,819 in equipment. He said he would provide asset and liability details for the Committee for each of the fund balances that have been discussed.

**EXHIBIT** (jnh13a05)

*{Tape: 2; Side: A; Approx. Time Counter: 27 - 31}*

**SEN. NELSON** asked if the increase in the cost of the nonresident licenses had resulted in a decrease in the number of licenses sold. **Director Hagener** said that 25,000 nonresidents applied for the 11,500 big game licenses sold through the lottery system. That is down from about 30,000 the previous year. About 100 of the 5,500 variable-priced licenses went unsold. The price increase was part of the downturn.

**SEN. SHEA** asked why animals in the alternative livestock farms are more vulnerable to CWD. **Director Hagener** said the studies in other states have established that wild animals that live in the area of game farms are more likely to have CWD.

*{Tape: 2; Side: B; Approx. Time Counter: 1 - 6}*



**SEN. BUTCHER** asked if the controlled populations on the game farms are easier to test for the disease than the animals in the wild. **Director Hagener** pointed out that as more analysis is being done, the rate of occurrence in wild populations has increased. The Department has not found CWD in any of the approximately 1,800 wild game samples that have been done over the last six to eight years. Testing has increased a great deal this year.

**SEN. BUTCHER** asked how the sampling is done. **Director Hagener** said that until this year most of the samples were obtained by Department staff through check stations. This year, because of the concern in Region Six, all "B" tag holders were asked to turn in samples. The largest expense will be an increase in laboratory testing.

*{Tape: 2; Side: B; Approx. Time Counter: 6 - 11}*

**SEN. NELSON** asked if the reported 1.2 million visits to state parks was an average over the two years. **Director Hagener** said that the figure was for visits in 2001. A steady increase in the use of state parks has been measured with numbers indicating more residents are visiting state parks.

**REP. RIPLEY** asked if the retirement liability of \$780,000 had been budgeted for. **Director Hagener** said that had not been budgeted for. The DP requests funding for the liability. **Gary Hamel** said that actual funding to offset the liability for retirement is not typically a part of an agency's budget. **Doug Schmitz** said retirement costs are typically an unfunded liability of state government. In HB13 the Legislature appropriates about \$500,000 to the Governor's office for a personal services contingency fund. An agency that is not able to meet both their vacancy savings requirements and the unfunded liability for retirements can apply to the Budget Office for those funds.

*{Tape: 2; Side: B; Approx. Time Counter: 11 - 18}*

**SEN. BUTCHER** asked if state parks could be better managed by DNRC. **Director Hagener** said in the 1960s the Parks program was in the Department of Highways and was transferred to Fish and Game. He said it appeared logical to have Parks in the Department of FWP because the agency is charged with managing recreation in the State.

**CHAIRMAN PATTISON** asked if a fee increase would offset some of the costs of maintaining the parks. **Director Hagener** said the Parks Futures II Committee did make several recommendations

including an increase in day-use fees. Revenues from the sale of day-use passes or the annual Parks Passport have not been sufficient to cover the costs the agency incurs.

**Director Hagener** reported that SEN. KITZENBERG is carrying a bill that would establish a mill levy that would go to Parks. Another bill proposes a license plate fee which would allow entrance into parks. In HB5, the capital expenditures bill, the Department has not requested any funding. The agency has requested legislation that allows the Department to spend a minimum of 50 percent for operations and maintenance. Services in some parks will be limited, and some parks will be open for fewer days and for limited hours.

*{Tape: 2; Side: B; Approx. Time Counter: 18 - 20}*

**SEN. BUTCHER** asked how many acres the parks covered. **Director Hagener** said the 42 state parks cover about 30,000 acres.

**CHAIRMAN PATTISON** asked how much revenue was derived from parks' fees. **Director Hagener** said the Department sold 34,000 annual Parks Passports at \$24. Day-use fees are \$1. Additional fees are charged for additional services and the total revenues from all parks' fee sources is \$1,446,000.

*{Tape: 2; Side: B; Approx. Time Counter: 20 - 25}*

**SEN. BUTCHER** asked if the agency was seeking to acquire any more parks. **Director Hagener** said the Search Committee and the Parks Futures II Committee have stated the request for a park in Region Six is high and six potential sites have been identified. Some local groups are working with the Department to help fund parks or services.

*{Tape: 2; Side: B; Approx. Time Counter: 25 - 30}*

**CHAIRMAN PATTISON** asked about the decrease in the General License Fund balance. **Director Hagener** said the Fund balance peaked in 1998 at \$28 million. By 2002 the fund balance was \$24,254,000 and is projected in 2003 to be \$22,500,000. By 2004 the projection is \$19,400,000.

*{Tape: 3; Side: A; Approx. Time Counter: 1 - 4}*

**Chris Smith, Chief of Staff, FWP**, said FWP is comprised of eight divisions. The Management Division sets Department policy, program direction and budgets, manages central staff, provides program support, manages regional programs, and provides public service in regional and area offices. The Division works with

the OBPP, the Legislature, and takes the lead in interacting with the FWP Commission. The agency serves as a liaison with the Tribes, and is responsible for legal services and for agency performance management.

***{Tape: 3; Side: A; Approx. Time Counter: 4 - 8}***

**EXHIBIT(jnh13a06)**

**Chris Smith** said the Division is comprised of the Director and the Director's office staff, regional supervisors, support staff in regional offices, the legal unit and the responsive management unit. The Department has seven administrative regions located around the state: Kalispell, Missoula, Bozeman, Great Falls, Billings, Glasgow and Miles City. Area offices have been established in Havre, Lewistown, and Butte where field staff can be more accessible to the public. **Chris Smith** said the funding sources for the Department Management Division include 63% State Special and 37% federal funding.

***{Tape: 3; Side: A; Approx. Time Counter: 8 - 16}***

**Chris Smith** stated that over the last biennium, the Division has been working to set priorities and to establish internal management control to ensure responsiveness to the people the Department serves. The agency has undertaken a program to develop future managers and leaders within the agency. Customer satisfaction surveys have substantiated that overall public satisfaction in the agency is high. The public has questioned how and why some management decisions were made.

**EXHIBIT(jnh13a07)**

**Chris Smith** said the agency has put the set hunting and fishing seasons and park rules on the Department internet site. The sites are interactive.

***{Tape: 3; Side: A; Approx. Time Counter: 16 - 22}***

**REP. MUSGROVE** asked about recruitment. **Chris Smith** replied that he would estimate that the agency averages two or three positions a month. The number of applicants varies with limited applicants applying for middle-management positions. Montana is not very competitive in wages even with the alternative pay plan.

**REP. RIPLEY** asked how many Customer Satisfaction Surveys had been distributed. **Chris Smith** said surveys were sent to 900 resident households; 500 resident and 10 nonresident angling and hunting

license holders from the year 2000; and to 500 resident and 100 nonresident Parks Passport holder from the year 200. **CHAIRMAN PATTISON** inquired how much the survey cost. **Chris Smith** estimated that the project, conducted by the Responsive Management Unit, cost between \$2,000 and \$3,000 with the primary expenses being for postage and printing.

**REP. RIPLEY** said he had received many comments concerning the fact that the Department printing is done out of state or in Canada. **Chris Smith** replied that the publication of the hunting regulations, which is the largest printing project the agency handles, is done through the state bid process.

*{Tape: 3; Side: A; Approx. Time Counter: 22 - 30}*

**SEN. TASH** asked about the funding restraints in the recruitment and retention in staffing. **Chris Smith** said that the long-term management of cash causes the agency to be conservative in terms of how the pay rates are adjusted. FWP attempts to maintain pay rates comparable to other state agencies. **SEN. TASH** asked how other states funded their pay rates, particularly for enforcement. **Chris Smith** replied that he would assume the funding is similar to Montana's and is derived from the sale of licenses. Adjacent states do provide higher rates of compensation.

**CHAIRMAN PATTISON** commented that the agency website is extensive and impressive. He asked if the agency anticipated more interactive use of the website for surveys. **Chris Smith** said the website was very popular and was a valuable resource for the Department in terms of communication. Two years ago during the fire season the Department worked with NRIS to develop a site where users could obtain an update on areas which were opened and closed. FWP is moving to get more of the regulations and fee rule-setting processes on the web.

**CHAIRMAN PATTISON** asked about the number of hits on the site. **Chris Smith** said that during the peak fire season, the agency averaged 65,000 a month for two months. The agency sells Parks Passports over the website and will begin selling some licenses online. FWP is working to have the permit-drawing applications online this spring.

*{Tape: 3; Side: B; Approx. Time Counter: 1 - 6}*

**SEN. TASH** asked if the online permitting would coordinate with ALS. **Chris Smith** replied that the internet interface would function similar to ALS.

**{Tape: 3; Side: B; Approx. Time Counter: 6 - 21}**

**DP901**

**Chris Smith** said that DP901 referred to the internal service rate adjustment which reflects increased cost for the use of the fleet of vehicles. The agency is requesting increased spending authority of \$4,644 over the biennium. Funding is entirely State Special Revenue.

**DP902**

**Chris Smith** said that this is a negative decision package in the second year of the biennium. The cost is incurred in the base year but not expended in the second year. The agency prints a book of statutes related to the agency responsibilities and the book is updated after the session. Field staff, in particular wardens, need to be able to reference particular statutes and rules.

**DP904**

**Chris Smith** said the DP provides \$6,000 of authority in State Special Revenue funding for the biennium for overtime costs for support staff. The expenses do not roll forward in the budget and must be requested each biennium.

**SEN. SHEA** asked about the deadlines that require overtime staffing. **Chris Smith** said much of the overtime relates to preparing for FWP Commission meetings or the necessary dissemination of information which follows Commission meetings. In addition, offices are open extended hours on the day before a general season opening or a permit application deadline.

**SEN. BUTCHER** said he surmised that the agency did not provide any comp time throughout the agency. **Chris Smith** said the agency used comp time extensively. Nonexempt employees can accrue a maximum of 90 hours of comp time. Beyond that, overtime is paid. Each employee is required during the calendar to reduce their comp time hours to no more than 10 hours. This policy was put in place to manage the liability that arises when employees accrue comp time. When an employee leaves the agency the comp time must be paid out.

**SEN. BUTCHER** asked which employees were exempt and which were nonexempt. He asked what it meant for an employee to be nonexempt. **Chris Smith** replied that professional positions which include biologists, regional managers, and supervisory positions are exempt. Nonexempt employees include support staff, technicians, laborers and field wardens. Nonexempt means that an employee is not exempt from the Fair Labor Standards Act. An

employee must be provided with either comp or overtime. An exempt employee receives the same wage whether they work 40 hours in a week or more than that. An exempt employee can accrue comp time, but the agency does not incur a liability for that comp time.

**SEN. BUTCHER** asked who decided if the hours should be overtime or comp time. **Chris Smith** replied that initially the decision was the employee's in that the employee must request the option of using comp time rather than being paid overtime. Once the overtime allotment is expended, the employee must elect comp time. If the comp time hours have been met, then the employee must take the time off.

*{Tape: 3; Side: B; Approx. Time Counter: 21 - 30}*

**CHAIRMAN PATTISON** commented that the State Special Revenue Fund to which Chris Smith was referring was the General License account. The balance in that account is showing a steady decline, and at the current spending rate, a license fee increase would be needed in the near future. **Chris Smith** replied that the Department is attempting to manage the spending to keep the account at an adequate balance without an increase in the cost of licenses. The nonresident license was increased in the 2001 Session. The resident license fees have not been increased since 1991, and the agency projects that no increase will be needed until 2007.

#### **DP907**

**Chris Smith** said that DP907 addressed the cost associated with the FWP Commission's per diem. The five-member Commission meets monthly. Commissioners are paid travel, per diem and a \$50 per day honorarium. The request is for \$16,000 in State Special for each year of the biennium. In response to questions from **CHAIRMAN PATTISON** and **SEN. NELSON**, **Chris Smith** said that the total costs each Commission meeting is about \$1,200 to \$1,800. Several of the Commissioners have to travel long distances. Conference calls are utilized whenever possible.

*{Tape: 4; Side: A; Approx. Time Counter: 1 - 6}*

#### **DP905**

**Chris Smith** said that DP905 is a request for \$30,000 in funding for noncapital maintenance at Department headquarters and at the regional and area offices. Funding has been approved in the past as one-time-only, restricted, but the agency is requesting that the funding be incorporated into the budget.

**EXHIBIT(jnh13a08)**

**{Tape: 4; Side: A; Approx. Time Counter: 6 - 13}**

**DP906**

**Chris Smith** said the request was for LCA authority to expend federal funds to pay for additional administrative support and staff that are working on federal contracts such as the BPA mitigation contracts in Region One, Kalispell.

**SEN. TASH** asked about the requests for a security camera and for security equipment in DP905. **Chris Smith** said the separate requests are from different regional offices. **SEN. SHEA** asked what caused the need for security equipment. **Chris Smith** said that heightened awareness about security is part of the need. Also, the equipment will be used for surveillance to prevent vandalism of equipment which is housed in areas surrounding some of the regional offices.

**{Tape: 4; Side: A; Approx. Time Counter: 13 - 20}**

**DP908**

**Chris Smith** said that DP908 is a request to restore \$72,000 per year in State Special funding plus one FTE and operational funds for the River Recreation Coordinator. Funding had been approved on an OTO basis for efforts to resolve conflicts between user groups, to develop some long-term strategies for managing recreational use of state waters, to maintain the quality of the recreational experience and to ensure that the value of that recreational resource is protected into the future. A River Recreational Advisory Council was established and is working to develop a broad policy framework to address specific issues as they emerge and to engage local communities in an effort to resolve local issues.

**SEN. BUTCHER** asked if the position was one of a referee between all the groups. **Chris Smith** said that the present River Recreation Coordinator has a background in recreation management and watershed management. He works with local groups to find alternative ideas as potential solutions to conflicts. The agency is relying on the various interest groups to come up with their own answer to the conflicts.

**{Tape: 4; Side: A; Approx. Time Counter: 20 - 26}**

**SEN. BUTCHER** commented that the agency could reshuffle some employees and redefine the roles to meet new challenges that come before the Department. **Chris Smith** said that two positions from

the Director's office staff have been reallocated to other areas within the Department. Positions have been held open to manage vacancy savings. Subsequently those positions were eliminated because they had been vacant for so long.

***{Tape: 4; Side: A; Approx. Time Counter: 26 - 30}***

**SEN. TASH** said that legislative efforts to resolve the disputes on recreational use of the Big Hole and Beaverhead Rivers were unsuccessful. These types of disputes exist state-wide. **Chris Smith** said that the advisory group met last week and had not proposed any legislative changes. **SEN. TASH** commented that if the position of River Recreation Coordinator in the Director's office is not funded, perhaps an FTE from another program could be utilized.

***{Tape: 4; Side: B; Approx. Time Counter: 1 - 7}***

**Kelly Gorin, OBPP**, said the position had been needed for four years and that the executive does support the funding for the positions.

**DP909**

**Chris Smith** said that DP909 would provide an additional \$20,000 per year from State Special Funds in operations funding for the Responsive Management Unit which is responsible for social and economic research. The Department is required to comply with the Montana Environmental Policy Act (MEPA) which requires that social and economic research be completed before some programs can be initiated. The LFD raised the issue that other sources can provide the same information. The Department feels the sample size in some of the studies is too small.

***{Tape: 4; Side: B; Approx. Time Counter: 7 - 11}***

**DP910**

**Chris Smith** said DP910 would add .3 FTE in Region Two, Missoula. The workload has been increasing and it is less costly to add additional FTE rather than to compensate existing staff at time-and-a-half through comp time or overtime. Funding would be State Special Revenue.

**DP911**

**Chris Smith** said the request is for \$160,000 in State Special Revenues, OTO, restricted authority to leverage \$1.2 in federal funds for the State Wildlife Grants Program. This program is a federal effort to support the conservation of nongame fish and wildlife species.



**{Tape: 4; Side: B; Approx. Time Counter: 11 - 20}**

**DP913**

**Chris Smith** said the request is for OTO, restricted authority to respond to retirement payouts. At this time it is estimated that the Department has \$750,000 in liability in retirement payments that will have to be made in the upcoming biennium.

**SEN. BUTCHER** asked about the average age of the potential retirees and which retirement fund they have paid into. **Chris Smith** said he believed most of the personnel pay into Public Employees Retirement System (PERS). Game wardens have a separate retirement system. Most of the employees have been with the agency for 30 years. It is estimated that 59 employees will be retiring in the next few years and 11 of those are wardens.

**ADJOURNMENT**

Adjournment: 12 P.M.

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REP. JEFF PATTISON, Chairman

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ELAINE G. OLSEN, Secretary

JP/EGO

**EXHIBIT** (jnh13aad)